

**Guidelines Framed In The Meeting Of College Teachers Held On May 18, 2012**

**B.Com Semester III**

**Paper No: CP 3.2-COMPANY AND COMPENSATION LAWS**

**Duration: 3 hrs.**

**Max. Marks: 100**

**Lectures: 75**

**Objectives:** To familiarize the students with the understanding and provisions of Company and Compensation Laws. **Case studies and problems involving issues in Company and Compensation Laws are required to be discussed.**

**Unit-I: *Company*:** Definition, characteristics, lifting of corporate veil, types of companies, formation of a company, promoters, pre-incorporation contracts, provisional contracts, memorandum of association, articles of association. **Case studies and problems are required to be discussed. Exclude doctrine of ultra vires, binding force of memorandum of association & articles of association, alteration of capital clause and liability clause of memorandum of association.** **13 Lectures**

**Unit-II: *Prospectus*:** Contents, abridged prospectus, red-herring prospectus, shelf prospectus, statement in lieu of prospectus. misrepresentation of prospectus, share capital: issue and allotment of shares, buy back of shares, rights issue, book building, bonus share, demat system, forfeiture and surrender of shares, provisions relating to payment of dividend, investor's education and protection fund. **Case studies and problems are required to be discussed. Exclude issue of shares at premium and discount, right issue, book-building, forfeiture and surrender of shares.** **10 Lectures**

**Unit-III: *Directors*:** Classifications of directors, appointment, qualification and disqualifications, legal position and powers; managing director, manager; meeting of board of directors, meeting of shareholders, requisites of a valid meeting: notice, agenda, chairman, quorum, proxy, polls, resolutions and minutes. Compulsory winding up. **Case studies and problems are required to be discussed. Exclude managerial remuneration, meeting of board of directors, contribution towards political fund.** **12 Lectures**

**Unit-IV: *Emerging Issues in Company Law*:** Concepts of producer company, one person company (OPC), small company, associate company, postal ballot, audit committee, independent director, director identity number (DIN), corporate identity number (CIN), mca-21, online filing of documents, online registration of company, national company law tribunal (NCLT), corporate governance, clause 49, CSR, insider trading, rating agencies. **Include class action suits, secretarial audit and rotation of directors.** **10 Lectures**

**Unit-V: *Employees State Insurance Act, 1948***

Applicability of the schemes, Definitions: personal injury, factory, manufacturing process, wages, partial and permanent disablement. ESI Corporation, standing committee and medical benefit council; contributions, adjudication of dispute and claims, benefits. **Case studies are required to be discussed.** **10 Lectures**

### **Unit–VI: Minimum Wages Act, 1948**

Objectives and applicability of the Act, Definitions: Employer; wages; employee; fixing minimum rates of wages; minimum rate of wages; procedure for fixing and revising minimum wages; advisory board; central advisory board; wages in kind; inspectors. **Case studies are required to be discussed. Exclude fixing minimum rates of wages; minimum rate of wages; procedure for fixing and revising minimum wages; advisory board; central advisory board; wages in kind; inspectors.** **10 Lectures**

### **Unit–VII: Employees’ Compensation Act, 1923**

Definitions: Dependent, employer, partial and total disablement, workmen, injury, accident, employer's liability for compensation, amount of compensation, contracting, commissioner. **Case studies are required to be discussed.** **10 Lectures**

### **SCHEME FOR QUESTION PAPER**

**Number of questions from each unit in the examination is as follows:**

<b>Company Law: (Unit I &amp; II)</b> -----	<b>one question</b>
<b>Company Law: (Unit III)</b> -----	<b>one question</b>
<b>Company Law: (Unit IV)</b> -----	<b>one question</b>
<b>Employees State Insurance Act, 1948: (Unit V)</b> -----	<b>one question</b>
<b>Min Wages Act &amp; Employees’ Compensation Act: (Unit VI &amp; VII)</b> -----	<b>one question</b>

### **CASE LAWS AND JUDICIAL INTERPRETATIONS**

#### **Company Law**

Solomon v Solomon & Co Ltd 1897 AC (HL) 22: (1895-99), All. ER 33 (HL)
Lee v Lee’s Air Farming Ltd, 1961 AC 12; (1960) 3 All. ER 420 (PC)
Macaura v Northern Assurance Co Ltd (1925) AC 619; 1925 ALL ER 51.
Re: Meat Suppliers Guildford Ltd (1966) 1 WLR 1112
Daimler Company Ltd v Continental Tyre & Rubber Co (Great Britain) Ltd, (1916) 2 AC 307.
Re: Sir Dinshaw Maneekjee Petit, AIR 1927, Bombay, 371
Gilford Motors Company v Horne 1933, 1 CH 935
Erlanger v New Sombrero Phosphate Company, 1878, 3 App Cas 1218 (HL); 39, LT 269
Jublee Cotton Mills ltd v Lewis 1924, 1923, 1 Ch 1, 1924, AC 958
Executive Board of the Methodist Church in India v Union of India, 1985, 57 Comp Cas 443 (Bom)
Ewing v Buttercup Margarine Co Ltd, 1917, 2 Ch. 1.
Society of Motor Manufacturers and Traders Ltd v Motor Manufacturers & Traders Mutual Assurance Ltd 1925, 1 Ch. 675.
Re: South of England Natural Gas and Petroleum Company Ltd, 1911, 1 Ch., 573
Nash v Lynde, 1929, A.C., 158
Re: Universal Banking Corporation, 1867, LR 3 CH APP 40 (CA)
Ramanbhai v Ghasi Ram, 1918, L.R. 595, Bombay
Secretary of State for trading and industry (4F) v Deverell (2001) Ch 340
Oriental Metal Pressing Ltd. v B.K. Thakoor (1961) 31 Comp Cas 143.

Dale & Carrington Investment (P.) Ltd. v Prathapan (P.K.), 2004, 54 SCL 601 (SC)
Shubh Shanti Services Ltd. V Manjula S. Agarwalla, 2005, 125 Comp Cas 477 (SC): 2005, 60 SCL 280 (SC)
Ref: Express Engg. Works (1920) 1 Ch. 466
S.R. Subramaniam v Drivers & Conductors Bus Service (P) Ltd. (Mad) 1978(48) Comp Cas 672
B.R.Kundra v Motion Picture Asson. 1978 (48) Comp. Cas. 564 (Del).
Hungerford Investment Trust Ltd. v Turner Morrison Co. Ltd. ILR (1972) Cal.
Dineker Rai Desai v R.P.Bhasin (1986) 60 Comp Cas. 14 (Delhi)
Bejoy Kumar Karnani v Asstt ROC, 1985(1) Comp. LJ 21, Cal (DB) 1985 (58) Comp Case.293
M.D.Mundra v Asstt. ROC (1980) 50 Comp. Cas. 346 (Cal)
Sree Meenakshi Mills Co. Ltd. V Asstt.Registrar (1938) 8 Comp Cas. 175 (Mad)
Kumaranunni v Mathrubhumi Printing & Publishing Co. Ltd. 1983 (54) Comp Cas. 370 (Ker)
Hindustan Coop. Insurance Society Ltd. 1961 (31) Comp Cas. 193.
LIC v Escorts Ltd. (1986) 59 Comp. Cas. 548 (SC)
AP Provincial Potteries Ltd v ROC (AP FB) 1969 (39) Comp. Cas 1000; 1970 (1) Comp LJ 172
State of Bihar v Linkers (P) Ltd. 1970 (40) Comp.Cas17 (Pat).1969 (1) Comp. LJ 240.
Nungambakkm Dhanarakshaka Saswatha Nidhiv Ltd v ROC (1972) 42 Comp.Cas 632 (Mad)
Ref: Asia Udyog (P) Ltd.(1961) 31 Comp Case. 269
V.Selvaraj v Mylapore Hindu Permanent Fund by its Secretary 1968 (1) Comp. LJ 92 (Mad)
State of Kerala v West Coast Planners Agencies (P) Ltd. (1958) 28 Comp Cas 13.
Kastoor Mal Banthiya v State, AIR 1951, Ajmer 39
Kuldip Singh Dhillon v Paragon Utility Financiers (P) Ltd. (1986) 60 Comp. Cas. 1075 (P & H)
MRS Rathnavelusami Chettiar v MRS Manickavelu Chettiar (1951) 21 Comp Cas. 93 (Mad).
Re: Haycraft Gold Reduction and Mining Co (1900) 2 Ch 230
John Shaw and Sons (Salford) Ltd V Shaw (1935) 2 KB 113
Re: Parikh Engineering & Body Building Co. Ltd. (1975) 45 Comp Cas. 157 (Pat)
Bharat Kumar Dilwali v Bharat Carbon & Ribbon Manufacturing Co. Ltd. 1972 (1) 1LR (Del) 837 (DB) 1973 (43) Comp Cas 197 (Del) (DB)
Re: West Canadian Collieries Ltd. (1962) Ch. 370
Mussel White v CH. Mussel White and Sons Ltd. (1962) Ch. 964

### **Employees State Insurance Act, 1948**

Regional Director, Employees' State Insurance Corporation v Tulsiani Chambers Premises Co-operative Society, 2008 LLR 362, (Bombay HC).
Shinghvi Dev and Unni Chartered Accountants v The Regional Director, ESI Corporation and Ors. 2010 LLR 275 (Kar HC)
Pithavadian & Partners v Deputy Director, Regional Office (Tamil Nadu) Employees' State Insurance Corporation 2010 LLR 809 (Mad HC)
Employees' State Insurance Corporation v Manipal Sowbhagya Nidhi, Ltd. 2007 LLR 1109 (Mah HC)
Employees' State Insurance Corporation, Kanpur v M/s Tops Food Products, 2008 LLR 42, (Uttarakhand HC).
National India Rubber Works Ltd., (through its Factory Manager, Katni) v Employees' State Insurance Corporation, (through its Regional Director), 2007 LLR 838 & 993 (MP High Court).

**Minimum Wages Act, 1948**

M/s. Bhikusa Yamasa Kahatriya v Sangamner Akola Taluka Bidi Kamgar Union A 1962 Indlaw SC 275
Multipurpose Training Centre for Deaf v Government of NCT of Delhi and Others 2010 LLR, (Del HC)
Secretary Padippu K.S.Sangam Limited v C. Varghese, 2007 Indlaw SC 233

**Employees' Compensation Act, 1923**

Indian News Chronicle v Mrs Lazarus AIR 1961 (Punjab)
Shridhar Dhondiraj Kelapure, Nagpur v General Manager, South Eastern Railway, Calcutta & Ors. 2008 LLR 697 (Bom HC)
Divisional Forest Officer (Territorial) v Fagua Sai., 2008 LLR 276 (Chattisgarh HC).
Dockendate Shipping Bombay & Anr v Jevanbhai Ramji Tandel, 2006 Lab IC 896 (Bom HC)
United Insurance Co Ltd v Nirmal Kaur & Ors. 2006 Lab IC 612 (J&K HC)
Shipping Corporation of India, Mumbai v Himatalal Sewai Solanki, 2006 Lab IC 923 (Bom HC)